

News

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Employment Cost Index for the Midwest June 2000

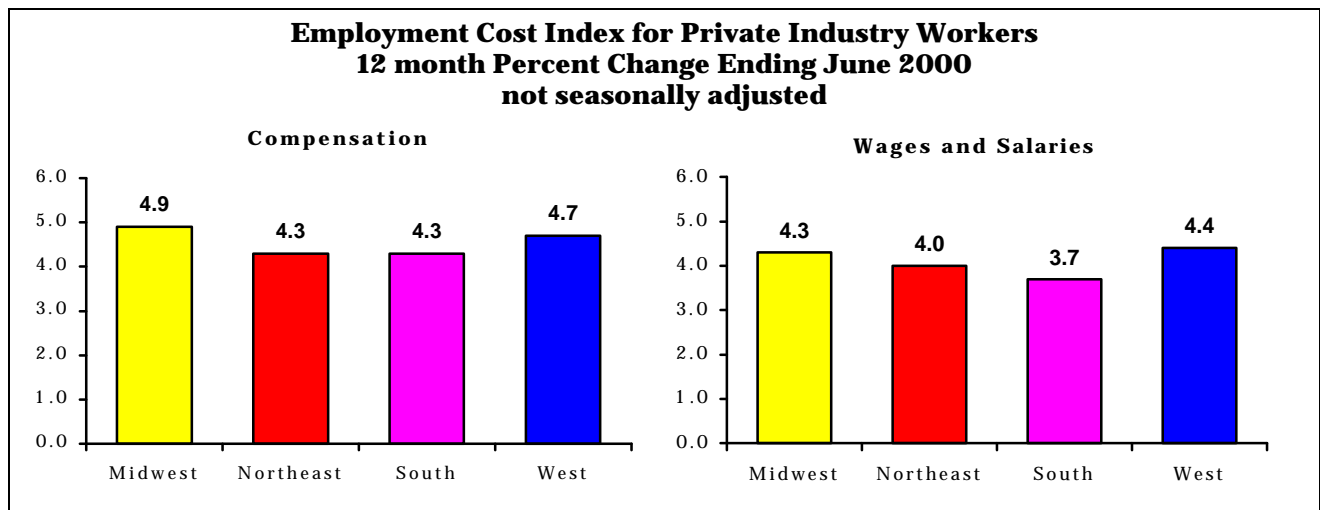
The Midwest Employment Cost Index (ECI) for total compensation increased 1.2 percent in the three months ended in June 2000, according to the U.S. Department of Labor's Bureau of Labor Statistics. This compares with second-quarter increases averaging 1.0 percent over the previous five years. The June 2000 ECI for the Midwest was 150.7 (June 1989 = 100). Midwest employee compensation costs for private industry workers rose 4.9 percent from a year ago. This increase was above gains averaging 3.1 percent annually between 1995 and 1999. The ECI measures changes in compensation costs, including wages, salaries, and employer costs for employee benefits. The Midwest ECI is not seasonally adjusted.

Bob Gaddie, Regional Commissioner, said that compensation costs in the Midwest, South and West rose 1.2 percent during the second quarter of 2000. The Northeast posted a slower gain of 0.9 percent. The national average ECI for private industry workers rose 1.2 percent from March 2000. (See table A.)

Over the past 12 months, the Midwest posted the largest rise in compensation costs among the regions, followed by a 4.7 percent gain in the West. The South and Northeast regions each posted annual increases of 4.3 percent. Nationally, compensation costs in private industry rose 4.6 percent.

Table A. Percent changes in the Employment Cost Index for private industry workers, (not seasonally adjusted)

REGION	COMPENSATION						WAGES AND SALARIES					
	3 months ended			12 months ended			3 months ended			12 months ended		
	June 1999	Mar. 2000	June 2000	June 1999	Mar. 2000	June 2000	June 1999	Mar. 2000	June 2000	June 1999	Mar. 2000	June 2000
U.S. Average	1.1	1.5	1.2	3.3	4.6	4.6	1.2	1.2	1.0	3.6	4.2	4.1
Midwest	1.3	1.8	1.2	2.9	5.1	4.9	1.5	1.2	1.2	3.7	4.6	4.3
Northeast	.7	1.4	.9	3.3	4.1	4.3	.8	1.0	1.0	3.3	3.8	4.0
South	1.2	1.4	1.2	3.2	4.2	4.3	1.1	1.1	1.1	3.3	3.7	3.7
West	1.3	1.6	1.2	4.0	4.8	4.7	1.4	1.5	1.1	4.2	4.7	4.4



The Midwest ECI for wages and salaries rose 1.2 percent from March to June 2000. This was in line with second-quarter gains averaging 1.1 percent over the previous five years. The increase in Midwest wages and salaries was comparable to gains of 1.1 percent in both the South and West and a 1.0 percent rise in the Northeast.

Wages and salaries in the Midwest advanced 4.3 percent from June 1999 to June 2000. This was above the 3.7 percent annual gain in the previous 12 months. The smallest annual increases were found in the Northeast and the South where wages and salaries rose 4.0 and 3.7 percent for the year, respectively. The 4.4 percent rise in the West was similar to that in the Midwest.

Note: ECI data for September 2000 is scheduled for release on Thursday, October 26, 2000 at 7:30 A.M. (CDT)

EXPLANATORY NOTE

The "Midwest" Census Region includes the twelve States of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

The Employment Cost Index (ECI) is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries. The compensation series includes changes in wages and salaries and employer costs for employee benefits. The wage and salary series and the benefit cost series provide the change for the two components of compensation.

Wages and salaries are defined as the hourly straight-time rate or, for workers not paid on an hourly basis, earnings divided by the corresponding hours. Straight-time wage and salary rates are total earnings before payroll deductions, excluding premium pay for overtime and for work on weekends and holidays, and shift differentials. Production bonuses, incentive earnings, commission payments, and cost-of-living adjustments are included in straight-time wage and salary rates.

Benefits covered by the ECI are: Paid leave (vacations, holidays, sick leave, and other leave); supplemental pay (premium pay for overtime, shift differentials, and non production bonuses such as lump-sum payments provided in lieu of wage increases); insurance benefits (life, health, and sickness and accident); retirement and savings benefits (pension and other retirement plans and

savings and thrift plans); legally required benefits (social security, railroad retirement and supplemental retirement, railroad unemployment insurance, Federal and State unemployment insurance, workers' compensation, and other legally required benefits such as State temporary disability); and other benefits (severance pay and supplemental unemployment plans).

The ECI provides data for the civilian economy, which includes the total private economy and public sector--excluding farms, households, and the Federal government. The private industry series and the State and local government series provide data for the two sectors separately.

Each quarter, straight-time average hourly wage and salary rates and benefits cost data (cents-per-hour-worked) are collected from a national probability sample of approximately 19,000 occupations within over 4,500 sample establishments in private industry and nearly 4,200 occupations within 800 sample establishments in State and local governments. Data are collected for the pay period including the 12th day of the survey months of March, June, September and December.

More detailed information on the ECI is available in several sources. These include an annual bulletin, Employment Cost Indexes and Levels, 1975-97, (Bulletin 2504 \$16.00); chapter 8 in the BLS Handbook of Methods (Bulletin 2490, \$20.00), and several articles published in the Monthly Labor Review. Detailed statistics on employer cost levels are available in a newly published report, Employer Costs for Employee Compensation, 1986-97, (Bulletin 2505, \$20.00). These bulletins are available from the BLS Publication Sales Center, PO Box 2145, Chicago, Illinois, 60690 (312-353-1880). Current and historical ECI data are available on the Internet at: **<http://stats.bls.gov/ecthome.htm>**.

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Table 1. Employment Cost Index for total compensation and for wages and salaries only, private industry workers, United States and Census regions (not seasonally adjusted)

	Indexes (June 1989=100)					Percent Change									
						Over the Quarter					Over the Year				
	U.S. Avg.	Mid- west	North -east	South	West	U.S. Avg.	Mid- west	North -east	South	West	U.S. Avg.	Mid- west	North -east	South	West
COMPENSATION (Including wages, salaries, and employer costs for employee benefits)															
June 95 Sept. Dec.	125.4	126.9	126.6	124.3	123.4	.7	.9	.8	.5	.7	2.8	2.7	3.1	2.9	2.4
	126.2	127.7	127.4	125.2	123.9	.6	.6	.6	.7	.4	2.6	2.5	2.7	2.8	2.1
	126.7	128.3	127.8	125.6	125.0	.4	.5	.3	.3	.9	2.6	2.6	2.8	2.5	2.7
Mar. 96	127.9	129.5	128.9	127.0	125.9	.9	.9	.9	1.1	.7	2.7	2.9	2.6	2.7	2.7
June Sept. Dec.	129.0	130.7	129.7	127.8	127.3	.9	.9	.6	.6	1.1	2.9	3.0	2.4	2.8	3.2
	129.8	131.3	130.6	128.8	128.3	.6	.5	.7	.8	.8	2.9	2.8	2.5	2.9	3.6
	130.6	132.1	131.1	129.7	128.9	.6	.6	.4	.7	.5	3.1	3.0	2.6	3.3	3.1
Mar. 97	131.7	133.3	132.2	130.8	130.3	.8	.9	.8	.8	1.1	3.0	2.9	2.6	3.0	3.5
June Sept. Dec.	132.8	134.7	133.1	131.5	131.4	.8	1.1	.7	.5	.8	2.9	3.1	2.6	2.9	3.2
	133.9	136.2	134.0	132.5	132.5	.8	1.1	.7	.8	.8	3.2	3.7	2.6	2.9	3.3
	135.1	136.9	135.0	134.6	133.4	.9	.5	.7	1.6	.7	3.4	3.6	3.0	3.8	3.5
Mar. 98	136.3	138.3	136.0	135.5	135.2	.9	1.0	.7	.7	1.3	3.5	3.8	2.9	3.6	3.8
June Sept. Dec.	137.5	139.6	137.0	136.4	136.6	.9	.9	.7	.7	1.0	3.5	3.6	2.9	3.7	4.0
	139.0	140.9	138.7	137.6	138.5	1.1	.9	1.2	.9	1.4	3.8	3.5	3.5	3.8	4.5
	139.8	141.4	139.5	138.1	140.0	.6	.4	.6	.4	1.1	3.5	3.3	3.3	2.6	4.9
Mar. 99	140.4	141.7	140.5	139.1	140.3	.4	.2	.7	.7	.2	3.0	2.5	3.3	2.7	3.8
June Sept. Dec.	142.0	143.6	141.5	140.7	142.1	1.1	1.3	.7	1.2	1.3	3.3	2.9	3.3	3.2	4.0
	143.3	145.0	143.2	141.8	143.3	.9	1.0	1.2	.8	.8	3.1	2.9	3.2	3.1	3.5
	144.6	146.3	144.3	143.0	144.7	.9	.9	.8	.8	1.0	3.4	3.5	3.4	3.5	3.4
Mar. 00 June	146.8	148.9	146.3	145.0	147.0	1.5	1.8	1.4	1.4	1.6	4.6	5.1	4.1	4.2	4.8
	148.5	150.7	147.6	146.7	148.8	1.2	1.2	.9	1.2	1.2	4.6	4.9	4.3	4.3	4.7
WAGES AND SALARIES ONLY															
June 95 Sept. Dec.	121.5	122.2	122.1	120.8	120.9	.7	1.1	.7	.7	.8	2.9	2.9	2.8	2.9	2.5
	122.4	123.0	123.1	121.8	121.4	.7	.7	.8	.8	.4	2.8	2.9	2.6	2.8	2.8
	123.1	123.6	123.6	122.4	122.7	.6	.5	.4	.5	1.1	2.8	2.9	2.8	2.8	3.1
Mar. 96 June Sept. Dec.	124.4	125.1	124.9	124.1	123.3	1.1	1.2	1.1	1.4	.5	3.2	3.5	3.0	3.4	3.3
	125.6	126.2	126.0	125.1	124.8	1.0	.9	.9	.8	1.2	3.4	3.3	3.2	3.6	3.2
	126.5	126.9	127.0	126.0	125.8	.7	.6	.8	.7	.8	3.3	3.2	3.2	3.4	3.6
Mar. 97 June Sept. Dec.	127.3	127.7	127.7	127.0	126.5	.6	.6	.6	.8	.6	3.4	3.3	3.3	3.8	3.1
	128.6	129.0	128.8	128.5	127.7	1.0	1.0	.9	1.2	.9	3.4	3.1	3.1	3.5	3.6
	129.7	130.4	129.8	129.4	128.9	.9	1.1	.8	.7	.9	3.3	3.3	3.0	3.4	3.3
Mar. 98 June Sept. Dec.	131.0	132.2	130.7	130.6	130.2	1.0	1.4	.7	.9	1.0	3.6	4.2	2.9	3.7	3.5
	132.3	133.0	131.6	133.0	131.2	1.0	.6	.7	1.8	.8	3.9	4.2	3.1	4.7	3.7
	133.7	134.7	132.6	134.0	132.9	1.1	1.3	.8	.8	1.3	4.0	4.4	3.0	4.3	4.1
Mar. 99 June Sept. Dec.	134.9	136.0	133.8	134.9	134.5	.9	1.0	.9	.7	1.2	4.0	4.3	3.1	4.3	4.3
	136.6	137.5	135.4	136.5	136.7	1.3	1.1	1.2	1.2	1.6	4.3	4.0	3.6	4.5	5.0
	137.4	138.0	136.4	136.7	138.4	.6	.4	.7	.1	1.2	3.9	3.8	3.6	2.8	5.5
Mar. 00 June Sept. Dec.	138.1	138.9	137.1	137.9	138.2	.5	.7	.5	.9	-.1	3.3	3.1	3.4	2.9	4.0
	139.7	141.0	138.2	139.4	140.2	1.2	1.5	.8	1.1	1.4	3.6	3.7	3.3	3.3	4.2
	141.0	142.4	139.9	140.2	141.3	.9	1.0	1.2	.6	.8	3.2	3.6	3.3	2.7	3.4
Mar. 00 June	142.2	143.6	140.9	141.5	142.6	.9	.8	.7	.9	.9	3.5	4.1	3.3	3.5	3.0
	143.9	145.3	142.3	143.0	144.7	1.2	1.2	1.0	1.1	1.5	4.2	4.6	3.8	3.7	4.7
	145.4	147.1	143.7	144.6	146.3	1.0	1.2	1.0	1.1	1.1	4.1	4.3	4.0	3.7	4.4